ASHLAND UNIVERSITY

PROFESSIONAL JUDGMENT POLICY

Change in Circumstance

Under Federal law, only a financial aid administrator (FAA) has the authority to adjust FAFSA results through a professional judgment in order to decide whether or not a student must provide parental information on the FAFSA or make adjustments that reflect a family's current situation rather than what was reflected on the FAFSA. PJ decisions are made on an individual, case-by-case basis, and not across the board for a group or category of students. Although several students may have similar circumstances that may be resolved in a similar way using PJ, the merit of each student's situation must be evaluated on a case-by-case basis. Appeals are reviewed by a committee as quickly as practicable upon receiving all necessary appeal documentation. The decision will be communicated to the student by email, and all decisions are final and cannot be further appealed. Ashland University does not accept professional judgments approved at other institutions.

<u>A change in circumstance may include, but is not limited to:</u>

- Unusual Circumstance (dependency status change)
- Special Circumstance (adjustment to FAFSA data elements)
  - Reduction or loss of taxable or non-taxable
    - Changes in employment status (except due to cause or personal choice)
    - Loss of child support
    - Loss of income due to a federally declared Disaster or Emergency
  - Household size adjustments due to divorce, separation, or death
  - One-time income received
  - Unusual out-of-pocket medical/dental expenses (not covered by insurance)
- Cost of Attendance Budget Adjustments
  - Reasonable allowance for the purchase of a personal computer
  - Unusual dependent care expenses
- Direct Unsubsidized Loan Eligibility for a Dependent Student Without Parental FAFSA Data

The student must complete the current year FAFSA before the Financial Aid Office will consider a change in circumstance. Students must complete and submit a *Change in Circumstance Form* or *Dependency Appeal Form* via Etrieve and provide documentation to support their appeal, allowing approximately 10 business days for the Financial Aid Office to finalize the review. The circumstance that contributed to the need for a review, as well as any action taken, must be adequately documented and the documentation maintained in the student's file. Documentation should be included even if the FAA decides a PJ adjustment is not warranted.

If the student's application has been selected for verification by either the CPS or the school, the school must complete verification before making any PJ adjustment to a data element used to calculate the student's EFC or to a component of the student's COA. However, the school is not required to verify the student's application if the student was not selected for verification.

UNUSUAL CIRCUMSTANCE (Dependency Status Change)

A student who answers "no" to all FAFSA dependency questions is considered a dependent student and must provide parental information on their FAFSA even if the student does not live with their parents by choice, their parents are not paying any of their college expenses, or do not claim them as a dependent on their taxes. The dependency appeal process allows a student who has unusual circumstances to appeal to be considered an independent student even though they do not meet any of the independent student criteria on the FAFSA. Only a college or university FAA has the authority to change a student's dependency status from dependent to independent. Appeals are reviewed as quickly as practicable, but no later than 60 days after receiving all appeal documentation. A dependency override for unusual circumstances is considered unique from a determination of independence for homeless youth or at-risk homeless youth. See separate homeless youth policy.

<u>First-Time Appeal</u> – The student must complete AU's *Dependency Appeal Form* in Etrieve and attach any supporting documentation. Required documentation includes a written statement explaining why the student should be considered independent as well as a written statement from a responsible third-party familiar with the situation (e.g. professor, counselor, medical professional, social worker, religious leader, or non-family member). The student may also submit court or law enforcement documents or other relevant information to explain the extenuating situation. The Financial Aid Office may request additional documentation on a case-by-case basis as they deem necessary. Types of documentation are shown in the Appendix section of this policy.

After careful review, a decision will be made as to if parental information is required on the student's FAFSA or if the circumstance allows them to proceed without providing parental data. If it has been determined that the student does not need to provide parental data, the dependency appeal is considered approved, parental income and asset information are excluded in the calculation of the EFC, no parental signature is required on the FAFSA, and the student is considered independent for financial aid purposes.

<u>Reaffirmation</u> – Students approved for a dependency appeal in a previous year, must submit the *Dependent Status Reaffirmation Form* in Etrieve reaffirming the circumstance described in their previously approved appeal and that their relationship with their parent(s) remains unchanged. This form must be completed annually.

SPECIAL CIRCUMSTANCE (Adjustment to FAFSA Data Elements)

A financial aid administrator (FAA) may be able to adjust FAFSA data elements used in calculating the EFC to reflect what the student and family are *currently* experiencing, rather than what was reflected on the FAFSA. This is done *after* reporting the requested income on the FAFSA. If a student and their family have reason to believe that their FAFSA needs to be updated or adjusted due to a change in circumstance, they can initiate a review by completing AU's *Change in Circumstance Form* based on their dependency status (dependent or independent). Changes in employment status (except due to cause or personal choice), reduction or loss of taxable or non-taxable income (including loss of child support), household size adjustments due to divorce, separation or death, one-time income received, and unusual out-of-pocket medical/dental expenses (not covered by insurance) may be considered. As for the reduction or loss of taxable or non-taxable income, Ashland University will consider using prior tax year income or a 12-month determined period of time that includes current and projected income.

Along with the appropriate *Change in Circumstance Form* in Etrieve, the student or parent must submit a written statement explaining the situation and how the projected income figures provided on the *Change in Circumstance Form* were compiled. Supporting documentation must be submitted as well, including, but not limited to, copies of latest pay stubs, unemployment benefits, child support termination order and year-end statement, out-of-pocket medical expense breakdown, separation/divorce decree, death certificate, etc.

➔ Reduction or Loss of Taxable or Non-Taxable Income – Reasons for loss of income may include change or loss of employment (except due to cause or personal choice), loss of social security benefits, loss of child support payments, separation, divorce, or death.

The FAA should use alternative-year income such as anticipated calendar-year income, award year income, or income from another 12-month period that realistically reflects current and near-term economic situation, except in the case of death or divorce.

Loss of Child Support – When a student has reached their 18th birthday and graduated from high school, child support payments are no longer received for that child. Since the family must provide prior, prior year income on the FAFSA, a professional judgment may be necessary to remove the child support payments specific to the student from the FAFSA calculation. If a family receives child support for multiple students, a copy of the last page of the child support received year-end statement is required in order to determine the amount that can be removed from untaxed income. Child support received for other children for which the parent is still receiving child support funds must not be removed through PJ.

Loss of Income due to a federally declared Disaster or Emergency – Financial aid administrators may, during a qualifying emergency:

- Determine that the income earned from work for an applicant is zero, if the applicant can provide paper or electronic documentation of receipt of unemployment benefits or confirmation that an application for unemployment benefits was submitted; and
- Make additional appropriate adjustments to the income earned from work for a student, parent, or spouse, as applicable, based on the totality of the family's situation, including consideration of unemployment benefits.

Acceptable documentation of unemployment should be submitted not more than 90 days from the date it was issued. However, institutions may use discretion to accept documentation older than 90 days under an institution's general professional judgment authority if they do not have reason to believe there is conflicting information.

➔ Household Size Adjustments Due to Divorce, Separation, or Death – A **student's** or **parent's** marital status or income and asset data generally cannot be updated if it was correct when the FAFSA was signed. However, a financial aid administrator (FAA) could choose to exercise PJ to make any necessary adjustments to address an inequity or to provide a more accurate depiction of the student's or family's ability to pay for education. Generally, verification must be completed prior to exercising PJ, however, the FAA is not required to verify data that will be removed entirely using PJ. All other pertinent information, such as spousal income and taxes paid must be updated. This can be done on the same ISIR transaction.

To verify a separation, a separation agreement along with copies of utility bills and leases must be obtained in order to prove that the student and their spouse are living separately.

➔ One-Time Income Received – One-time income received may include, but are not limited to, inheritance, moving allowance, prior-year Social Security payments, severance, IRA/pension distribution, or lottery winnings. If nonrecurring income was received in the base year, the student's AGI may be reduced by that amount. A detailed breakdown of the one-time income must be obtained from the family.

Retirement Account – One-time retirement income may be removed from a parent's AGI if the funds were used to make a payment to a college/university. The FAA must confirm the amount paid toward the student's AU account to ensure it doesn't surpass the retirement withdrawal amount.

IRA Rollover – This is considered an *update* to the FAFSA, not a professional judgment. An eligible rollover of funds from one IRA to another is a non-taxable transaction and should not count as untaxed income on the

FAFSA. Rollover distributions are exempt from tax when funds are placed in another IRA account within 60 days from the date of distribution. The transaction is reportable on the federal tax return because any taxable amount of a distribution that is not rolled over must be reported as income in the year of the distribution.

Families that use the IRS Data Retrieval Tool and have an IRA rollover included on their taxes, cannot remove the rollover amount themselves from their FAFSA. A copy of the Federal 1040 or Form 1099 R Code G is required to ensure *taxable* income is subtracted from the total rollover amount. On the 1040, Line 4B must be subtracted from Line 4A. Then, the FAA may remove the rollover from the student's untaxed income on the FAFSA to better reflect the families earned income. A revised ISIR transaction must be received before reevaluating financial aid.

➔ Unusual Out-of-Pocket Medical/Dental Expenses (not covered by insurance) may be removed from AGI through a professional judgment if the out-of-pocket medical/dental expenses surpass the 11% income protection allowance for medical/dental expenses already included in the FAFSA need-analysis and/or the expenses are not already itemized deductions on the parents' Schedule A. Annual healthcare premiums paid out-of-pocket also may be included.

COST OF ATTENDANCE (COA) BUDGET ADJUSTMENTS

Cost of attendance (aka budget) is defined as costs the student is expected to incur during a period of enrollment. AU calculates COA based on a full academic year, which includes the fall and spring semesters with summer as a header or trailer. Actual or average costs may be used, and they must be consistently applied. Budgets are reasonable estimates and allow students to maintain a moderate standard of living.

Cost of attendance components may be adjusted to address special circumstances through a professional judgment (PJ), but adjustments must be made within the accepted categories as defined in the Higher Education Act of 1965. A cost of attendance adjustment may be initiated by the student or a Financial Aid Administrator, and professional judgment (PJ) determinations are made on a case-by-case basis. Cost of attendance adjustments must be documented and supporting documentation pertaining to the student's individual case included in the student's file.

Basic COA Components

- Tuition & Fees – Actual billed costs assessed by the University based on a student's program and enrollment. Ashland University's tuition budget component reflects the full-time comprehensive tuition rate (12-19 credit hours) for traditional undergraduate students and per credit hour tuition amounts for students enrolled in our fully online, partnership, and graduate programs. The fee budget component reflects fees that are either for all students, all students in a particular course of study, or all students in a broad category, such as undergraduate (UG) and graduate (GR) students. Traditional UG students are charged general fees (campus access, activity, and learning technology), and fully online, partnership, and graduate programs are charged a per credit hour learning technology fee.

- Living Expenses – Actual billed costs for on-campus students, and a standard allowance determined by the institution to assist off-campus students with housing and food expenses. Only costs for the student are considered, not others in the household. The student must be enrolled at least half-time to receive this budget component. **The 2023-24 standard housing and food allowance for a resident student is based on the regular double/triple room ($3,250) and purple meal plan ($2,730).** If a student is billed for a more expensive room or meal plan, a budget adjustment may be added at the student's request or at the discretion of a financial aid administrator.

- Books, Course Materials, Supplies & Equipment – A standard allowance determined by the institution. Ashland University uses a standard allowance for all students in the amount of $38 per credit hour of enrollment. An adjustment to this standard allowance can be made if the student provides documentation showing that their total costs surpass the standard allowance.

- Transportation – A reasonable, standard allowance determined by the institution to assist students with transportation costs for operating and maintaining an automobile (e.g. mileage, gas, oil, license, insurance, and repair). Payments for the purchase or lease of an automobile are not included in COA and cannot be added through a professional judgment. Students enrolled in a fully online program of study will not be assigned a transportation allowance.

- Miscellaneous Personal Expenses – A standard allowance determined by the institution to assist students with miscellaneous personal expenses. Allowable personal expenses include, but are not limited to, clothing, personal maintenance, grooming aids, and recreation. A student must be enrolled at least half-time for this budget component to count in their COA.

- Federal Direct Loan Fee Allowance – Effective 2023-24, this standard allowance applies consistently toward incurred origination fees borrowed by the student. The allowance is based on a student's degree type (undergraduate or graduate) and dependency status (dependent or independent). If a federal loan is declined or lowered, the school is not required to recalculate loan fees, but must ensure the standard allowance does not mask an over award.

    - *Parent or Graduate PLUS Loans* – If a parent or graduate chooses to borrow a federal PLUS loan, the loan origination fees must be added to the student's cost of attendance.

    - *Private Loans* – Private loan origination fees are not permitted to be included in the student's COA.

Additional COA Allowances

- Professional Licensure, Certification, or a First Professional Credential – An allowance for the costs associated with obtaining a license, certification, or a first professional credential, for a student in a program that prepares them to enter a profession that requires such a qualification. Costs associated with obtaining a professional credential are added to eligible students' COA by the Financial Aid Office. The credential cost must be incurred while the student is still enrolled even if the credentialing activity occurs after the student's enrollment period ends. As of 23-24, the costs are no longer restricted to a one-time allowance. The school must document any professional credential expenses included in the COA on a case-by-case basis.

- Personal Computer Reimbursement – AU will increase a student's COA up to a maximum amount of $2,000 towards the purchase of a laptop or desktop computer as well as additional expenses such as a monitor, keyboard, mouse, and/or software purchases necessary to their program of study (i.e. Microsoft 365 or Adobe Suite). This reimbursement applies to all enrolled students and may be purchased outside of when the student is enrolled, such as in the summer for use during the following fall enrollment period. The computer does not have to be required by the student's program, and it may be added to a student's COA in multiple years if the school considers it reasonable to do so. Copies of original receipts showing proof of purchase are required.

- Study Abroad Allowance – A reasonable allowance determined by the institution providing the study abroad experience to help toward costs associated with an AU approved study abroad experience. A study abroad budget form is initiated by the Study Abroad Director that includes the costs associated with that particular abroad experience. The financial aid study abroad liaison completes the form adding in additional AU-related budget costs as well as the estimated financial aid the student may be eligible to receive. COA is updated only after the student pays the study abroad deposit.

- Dependent Care Expenses – A standard allowance based on the estimated actual expense incurred for dependent care, based on the number and age of such dependents. A "dependent" may include persons other than children, such as elderly parents. This allowance cannot exceed the reasonable cost in the community in which such student resides for the kind of care provided[1]. The period of time for which dependent care is required includes, but is not limited to, class-time, study-time, field work, internships, and commuting time. If an increase to the standard dependent care allowance is needed, the student must submit copies of daycare or care-provider receipts, or other proof of payment, along with a statement from the student or care-provider explaining the reason for the increase, and/or other requested documents.

  This allowance can be added upon receiving a written request from the student and proof the student has a dependent who is included in the household size, for whom care is required in order for the student to attend school. It can be based on estimated or actual expenses.

DIRECT UNSUBSIDIZED LOAN ELIGIBILITY (for a Dependent Student Without Parental FAFSA Data)

Dependent students whose parents have ended all financial support and refuse to file the FAFSA have the option of receiving only Direct Unsubsidized loans, if otherwise eligible. The decision to originate an unsubsidized loan for a student under these circumstances is at the school's discretion. The student must complete the student portion of the FAFSA, and the school must document that the parents refuse to complete the FAFSA and have ceased providing financial support of all kinds (including health insurance).

The dependent student who submits the FAFSA without parental data will receive a rejected Student Aid Report (SAR), and the school will receive a rejected ISIR without an EFC. The school may award the unsubsidized loan as long as the student passed the database matches and is otherwise eligible for the loan. A student cannot avoid verification by accepting only unsubsidized aid.

A letter must be received from the student detailing the nature of the student's estranged relationship with parents, the details for the break in student-parent relationship, confirmation if the break is temporary or ongoing, and confirmation that the student is estranged from both parents. A signed and dated statement from one of the student's parents would be ideal and sufficient, but not always possible. The letter from the parent should state that financial support has stopped, the date when that support ended, confirmation that the support will not be provided in the future, and that he/she will not complete the parental section of the FAFSA. If the student is unable to obtain a parent statement, a signed statement from a responsible third party (e.g. professor, counselor, medical professional, social worker, religious leader, or non-family member) with knowledge of the situation, describing the student's relationship with his/her parents also would be acceptable.